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VIA HAND DELIVERY

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
1300 "I" Street, 17th Floor
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: California AI Worker Protection Act

To The Initiative Coordinator:

I am submitting the enclosed initiative measure, titled the "California AI Worker Protection Act," and respectfully asking that the Attorney General draft a circulating title and summary as required under Elections Code section 9001(a). Enclosed you will find the measure text, a \$2,000.00 check, and the certifications specified in Elections Code sections 9001(b) and 9608.

For any questions or correspondence about this measure, please contact:

Alexander Oldham
1201 Brickyard Cove Way #218
Point Richmond, CA 94801
Phone: 510 685-7847
Email: californiaaiact@proton.me

Sincerely,

A handwritten signature in black ink, appearing to be 'AO' with a stylized flourish.

Alexander Oldham

Enclosures

THE CALIFORNIA AI WORKER PROTECTION ACT

SECTION 1. TITLE AND PURPOSE

This measure shall be known as the "California AI Worker Protection Act." Its purpose is to ensure that artificial intelligence development benefits California residents by sharing the economic benefits with displaced workers and the public, maintaining human control over AI systems, and preventing dangerous concentration of power—while enabling continued innovation through competitive market dynamics rather than prescriptive mandates.

SECTION 2. DEFINITIONS

(a) "AI Company" means any entity that develops or deploys Covered AI Systems and satisfies both of the following:

(1) Maintains exclusive control over AI systems with demonstrated capabilities meeting or exceeding the capability threshold established by Commission regulation, which threshold shall be set at the level at which AI systems can perform complex cognitive work across multiple professional domains at or above median human expert performance; and

(2) Satisfies one or more of the following: is incorporated in California; maintains principal AI research operations in California; employs more than one hundred individuals in California whose primary work involves AI; or derives more than one hundred million dollars in annual revenue from California users or customers.

(b) "Covered AI System" means an AI system over which the entity maintains exclusive operational control, including control over model weights, deployment, and the ability to modify, retrain, or shut down the system. An AI system is not a Covered AI System if its model weights have been released to the public under an open license permitting unrestricted use, modification, and redistribution.

(c) "Public Benefit AI Company" means an AI Company that (1) is currently organized as a public benefit corporation, nonprofit corporation, or equivalent form with governing documents stating purposes including benefiting humanity or the public interest; (2) was so organized at any time on or after January 1, 2020, regardless of subsequent conversion; or (3) is controlled by or contractually obligated to such an entity. Marketing materials, press releases, and general public statements do not alone establish Public Benefit AI Company status.

(d) "Capability Expansion" means any action that materially increases the capabilities of an AI Company's Covered AI Systems, including: deploying systems demonstrating materially greater cognitive capabilities than previously deployed systems; materially increasing the capacity for autonomous operation, self-directed action, or operation without human oversight; or materially increasing the scale at which AI systems can be deployed to users or operated simultaneously. Capability Expansion is measured by the demonstrated capabilities and deployment scale of AI systems, not by computational infrastructure.

(e) "Protection Plan" means the plan required by Section 4 demonstrating commitments to the three Protection Objectives.

(f) "Covered Executive" means any chief executive officer, chief technology officer, or equivalent; any director or trustee; any holder of more than five percent ownership; or any person with practical ability to direct the AI Company's decisions regarding AI development or deployment.

(g) "Commission" means the California AI Safety Commission established by Section 6.

SECTION 3. REGISTRATION

(a) Registration Required. Every AI Company shall register with the Commission within ninety days of this Act taking effect or within sixty days of becoming an AI Company, whichever is later.

(b) Contents. Registration shall include corporate structure and governance, current AI system capabilities and deployment scale, Protection Plan, and for Public Benefit AI Companies, copies of governing documents containing public benefit commitments.

(c) Continuation of Operations. Upon filing complete registration with a facially adequate Protection Plan, an AI Company may continue operations and engage in Capability Expansion unless and until the Commission determines its Protection Plan is materially inadequate as provided in Section 5.

SECTION 4. PROTECTION PLANS AND THE THREE OBJECTIVES

(a) Protection Plan Required. Every AI Company shall maintain a Protection Plan demonstrating credible commitment to the three Protection Objectives. Plans shall be public except for information entitled to trade secret protection, and shall be updated annually and upon any application for Capability Expansion.

(b) The Three Protection Objectives:

(1) PUBLIC BENEFIT. AI Companies shall demonstrate meaningful commitment to ensuring displaced workers and the public share in the benefits of AI capabilities. Commitments shall scale with Capability Expansion such that increased AI capability yields increased public benefit. Companies may propose any means of fulfilling this objective—including but not limited to direct services, capacity sharing, public access programs, displaced worker support, or novel approaches not yet conceived—and the Commission shall evaluate plans comparatively based on credibility and demonstrated or projected effectiveness, not adherence to prescribed methods.

(2) SAFETY AND HUMAN CONTROL. AI Companies shall maintain effective means by which authorized humans can monitor the behavior of, interpret the actions of, intervene in the operation of, and if necessary shut down Covered AI Systems. This includes mechanisms preventing unauthorized increases in capability, self-directed capability enhancement, and acquisition of resources or influence beyond authorized scope. AI Companies shall conduct pre-deployment evaluation before Capability Expansion and shall halt expansion if such evaluation does not demonstrate acceptable risk levels.

(3) DISTRIBUTED GOVERNANCE. No single individual shall have unilateral authority to direct Covered AI System capabilities toward any purpose, override or circumvent safety mechanisms, prevent oversight by the board or Commission, or authorize Capability Expansion. Authority over AI development and deployment shall be distributed among

multiple independent decision-makers, each with genuine ability to block actions posing material risk. Governance structures shall include succession mechanisms ensuring that departure, incapacity, or death of any individual does not result in concentration of control.

(c) Comparative Evaluation. The Commission shall evaluate Protection Plans comparatively—assessing each company's commitments relative to what others in the industry demonstrate is feasible. Companies whose plans meet or exceed the standards demonstrated by industry leaders may expand freely. Companies whose plans fall materially below demonstrated feasible standards may be slowed to allow leaders to advance first, creating competitive pressure for continuous improvement.

(d) Public Benefit AI Company Accountability. Public Benefit AI Companies shall additionally demonstrate continued fulfillment of commitments made in their governing documents. Material departure from such commitments without Commission approval constitutes inadequacy.

SECTION 5. CAPABILITY EXPANSION

(a) Default Expansion. AI Companies may engage in Capability Expansion without prior approval. The Commission's role is not to gatekeep expansion but to ensure that companies with inadequate Protection Plans do not outpace companies with superior plans.

(b) Competitive Standard. If the Commission determines that an AI Company's Protection Plan is materially inadequate relative to plans of other AI Companies, it may slow that company's Capability Expansion to allow competitors with superior plans to advance first. The Commission shall not hold all companies to the lowest common denominator; rather, it shall use competitive pressure to drive all companies toward the standards demonstrated by industry leaders.

(c) Response to Inadequacy. When slowing an AI Company's Capability Expansion, the Commission shall specify the deficiencies rendering the Protection Plan inadequate and identify which competitors' practices demonstrate feasible superior approaches. The slowed company may resume normal expansion upon remedying the identified deficiencies. Slowing does not require the company to halt current operations, only to delay further expansion until its plan improves.

(d) Suspension for Serious Risk. Notwithstanding subdivisions (a) through (c), the Commission may suspend an AI Company's Capability Expansion entirely, or require reduction of current operations, upon finding that the company's operations create material risk of: catastrophic harm to California residents; loss of human control over AI systems; or dangerous concentration of power inconsistent with the Distributed Governance objective. Suspension requires specific findings and is subject to expedited judicial review.

(e) Rapid Capability Advancement. If any AI system demonstrates a discontinuous increase in capabilities—such as substantial self-improvement, autonomous completion of complex professional work, or extended autonomous operation—the Commission may require all AI Companies to submit supplemental Protection Plans and may impose temporary conditions pending assessment. Such conditions shall be narrowly tailored and shall not extend beyond sixty days without renewed findings.

(f) Emergency Authority. Upon substantial evidence of clear and present danger of catastrophic harm, imminent loss of human control, active concentration of unauthorized control by a Covered Executive, or use of AI systems to manipulate California elections or democratic institutions, the Commission may issue emergency orders taking immediate effect. Affected parties may seek expedited judicial review, but operations shall remain suspended pending review unless the court orders otherwise.

SECTION 6. CALIFORNIA AI SAFETY COMMISSION

(a) Establishment and Powers. The California AI Safety Commission is established as an independent body with authority to: register AI Companies and issue Capability Licenses; evaluate Protection Plans; approve, condition, or deny Capability Expansion; adjudicate challenges; certify monitors; impose civil penalties; adopt implementing regulations; subpoena evidence; conduct audits; coordinate with federal and international authorities; and take all actions necessary to implement this Act.

(b) Composition. Seven commissioners with demonstrated expertise in AI technology, AI safety, labor economics, workforce policy, corporate governance, or technology policy.

(c) Independence Requirements. No commissioner may: have current employment, consulting, or compensation relationship with any AI Company; have had such relationship within the preceding five years; hold financial interests exceeding fifty thousand dollars in any AI Company, excluding diversified funds; or have an immediate family member who is a Covered Executive. Commissioners shall fully disclose all potential conflicts and recuse themselves from matters creating direct conflicts.

(d) Selection. The Attorney General shall maintain an Expert Pool of qualified individuals screened for expertise and independence. When vacancies arise, a Selection Committee of seven persons randomly drawn from the Expert Pool shall select commissioners by majority vote. Expert Pool criteria shall be established by regulation, shall require demonstrated expertise and absence of disqualifying conflicts, and shall be designed to prevent industry capture of the nomination process.

(e) Post-Service Restrictions. For five years following service, former commissioners shall not accept employment with, or compensation exceeding ten thousand dollars from, any AI Company, and shall not represent any AI Company before the Commission.

(f) Commission Access. Every AI Company shall implement technical infrastructure enabling the Commission to monitor AI system operations and capabilities, receive automated alerts upon material capability changes or anomalous behavior, and in emergencies, intervene in system operation. Such infrastructure shall be designed so that intervention capability cannot be disabled without Commission detection.

(g) Funding. The Commission shall be funded by annual assessment on AI Companies, apportioned by California-derived revenue, not exceeding one-half of one percent of such revenue. All assessments and penalties shall be deposited in the California AI Safety Fund and used exclusively for Commission operations. No General Fund impact.

(h) Federal Coordination. The Commission shall coordinate with federal agencies exercising authority over AI development. To the extent federal law expressly preempts any provision

of this Act, the remainder shall continue in full effect, and the Commission shall exercise all authority not preempted.

SECTION 7. COMPETITIVE MONITORING

(a) Purpose. This section establishes competitive monitoring through which AI Companies and independent monitors evaluate each other's Protection Plans and compliance, creating enforcement that scales with AI capabilities.

(b) Who May Challenge. Any registered AI Company or Commission-certified independent monitor may challenge any AI Company's Protection Plan or compliance therewith.

(c) Operational Transparency. AI Companies shall provide designated Challenge Teams access to operational information, safety mechanisms, governance records, and public benefit activities sufficient to evaluate Protection Plan compliance. Access may not be refused on grounds of competitive sensitivity, except for information entitled to trade secret protection under procedures established by Commission regulation.

(d) Clean Room Requirements. Challenge Teams shall be completely separated from research and development operations, with no shared personnel, no substantive communication between teams, and minimum three-year waiting period before Challenge Team members may move to R&D positions. Information accessed may be used only for identifying compliance deficiencies and filing challenges. The Commission shall certify Challenge Teams before granting access and shall audit compliance with separation requirements.

(e) Challenge Procedure. Challenges shall be filed with the Commission, accompanied by a filing fee set by regulation at a level sufficient to deter frivolous filings. A challenge shall identify specific deficiencies and supporting evidence. The Commission shall dismiss facially deficient challenges within twenty days or accept for adjudication. The challenged company shall respond within forty-five days. The Commission shall issue determination within ninety days of response.

(f) Remedies for Sustained Challenges. If a challenge is sustained, the challenged company shall, within the time specified by the Commission: remedy the deficiency and pay a penalty scaled to implementation cost; or suspend Capability Expansion until the deficiency is remedied. For deficiencies creating material risk of catastrophic harm, loss of human control, or dangerous power concentration, suspension is mandatory regardless of remedy elected.

(g) Challenger Awards. Successful challengers shall receive an award equal to the greater of: the filing fee plus reasonable costs of preparing the challenge; or twenty-five percent of any penalty assessed, up to a maximum of fifty million dollars. Filing fees shall be refunded for successful challenges and forfeited for unsuccessful challenges, provided that fees shall be refunded for unsuccessful challenges that the Commission determines were filed in good faith and presented substantial questions.

(h) Anti-Abuse Provisions. The Commission may impose sanctions including monetary penalties and temporary or permanent disqualification from filing challenges against any challenger that files frivolous challenges, abuses the challenge process, or engages in a pattern of challenges designed to burden competitors rather than identify genuine deficiencies. No entity may file more than three challenges against the same AI Company in any twelve-month period absent Commission authorization.

(i) Anti-Collusion. Any agreement between AI Companies to refrain from filing challenges, limit the scope or vigor of challenges, or otherwise suppress competitive monitoring is prohibited. Violation is punishable by civil penalty up to the greater of five hundred million dollars or twenty-five percent of annual revenue, and for individuals knowingly participating, imprisonment up to ten years.

(j) Clean Room Violations. Breach of clean room requirements—including use of accessed information for competitive advantage, communication of substantive information to R&D personnel, or reverse engineering of competitor technology—shall result in: permanent disqualification from the challenge system; civil penalty of one hundred million dollars per trade secret or proprietary item misused, plus disgorgement of all benefits obtained; and for knowing violations, criminal prosecution under Section 8(b).

SECTION 8. ENFORCEMENT

(a) Civil Penalties. The Commission or Attorney General may impose or seek civil penalties as follows: engaging in Capability Expansion while subject to Commission slowing or suspension order, up to twenty percent of annual gross revenue; material misrepresentation to the Commission, up to ten percent of annual revenue; failure to implement Commission access infrastructure, up to ten percent of annual revenue; failure to file required reports or Protection Plan updates, fifty thousand dollars per day; other violations, up to one hundred million dollars. Each day of continuing violation is a separate offense. Covered Executives who knowingly cause or knowingly fail to prevent violations when they had authority and duty to do so are personally liable for up to five million dollars per violation and disgorgement of compensation received during the violation period.

(b) Criminal Penalties. The following specific acts, when done knowingly, are felonies: engaging in Capability Expansion while subject to Commission suspension order, punishable by two to six years imprisonment; making materially false statements to the Commission regarding system capabilities, safety mechanisms, or governance, punishable by two to six years; destroying, altering, or concealing evidence relevant to Commission investigation, punishable by two to six years; disabling or circumventing Commission access infrastructure, punishable by two to six years; knowingly breaching clean room requirements for purpose of competitive advantage, punishable by two to six years; using Covered AI Systems to manipulate California elections, government officials, or democratic institutions, punishable by five to fifteen years. Fines up to ten million dollars or total compensation received from any AI Company during the violation period, whichever is greater, may be imposed in addition to imprisonment.

(c) Private Enforcement. Any California resident, any current or former AI Company employee, any person who donated to a Public Benefit AI Company in reliance on public benefit commitments, or any nonprofit organization with mission related to AI safety, worker protection, or public interest, may bring civil action for declaratory relief, injunctive relief, and statutory damages. Statutory damages shall be not less than one hundred thousand dollars and not more than ten million dollars per violation, trebled for knowing violations. Prevailing plaintiffs shall recover reasonable attorney's fees; prevailing defendants shall not recover fees unless the action was frivolous.

(d) Whistleblower Protections. No person shall retaliate against any individual for reporting potential violations, participating in investigations, testifying before the Commission, or bringing actions under this Act. Persons suffering retaliation may recover compensatory and

punitive damages, reinstatement, back pay, and attorney's fees. Whistleblowers providing original information leading to successful enforcement resulting in penalties exceeding one million dollars shall receive fifteen to thirty percent of penalties collected.

SECTION 9. JURISDICTION

(a) **Basis of Jurisdiction.** California's jurisdiction under this Act is based on the substantial and legitimate state interest in protecting California residents, workers, consumers, and democratic institutions from foreseeable harms arising from AI systems deployed to California users or developed by companies with substantial California presence. This Act regulates the deployment and capabilities of AI systems affecting California, not the location of physical infrastructure.

(b) **Continuing Jurisdiction.** An AI Company that has registered with the Commission remains subject to this Act so long as it: deploys Covered AI Systems to California users; employs more than fifty persons in California; derives more than fifty million dollars in annual revenue from California; or executed consent to jurisdiction upon registration that has not been released by the Commission.

(c) **Consent to Jurisdiction.** As a condition of registration, every AI Company and its Covered Executives shall execute consent to California jurisdiction for matters arising under this Act. Such consent is binding on successors and may not be withdrawn without Commission release, which shall be granted only upon demonstration that no basis for jurisdiction under subdivision (b) remains.

(d) **Notice of Material Changes.** AI Companies shall provide the Commission ninety days advance notice of: relocation of headquarters from California; change of state of incorporation from California; transfer of more than twenty-five percent of California employees to other locations within any twelve-month period; or transfer of material intellectual property or AI assets to entities not subject to this Act. The Commission may condition such changes on measures ensuring continued protection of California residents.

(e) **Evasion.** If the Commission determines that a transaction or restructuring is designed primarily to evade the requirements of this Act while continuing to serve California users or benefit from California presence, the Commission may: disregard the transaction for purposes of determining jurisdiction; impose conditions on continued California operations; or refer the matter to the Attorney General. Transactions undertaken after public notice of this initiative and before its effective date that would reduce California jurisdiction are presumed evasive absent clear and convincing evidence of independent business purpose.

(f) **Public Benefit Commitments.** A Public Benefit AI Company shall not abandon or materially depart from commitments stated in its governing documents without Commission approval. Any conversion from public benefit or nonprofit form shall require Commission review and may be conditioned on measures ensuring continued accountability to original commitments, which may include retained governance rights for predecessor entities.

SECTION 10. GENERAL PROVISIONS

(a) **Severability.** If any provision is held invalid, the remainder continues in full effect. The three Protection Objectives are independent and severable. The competitive challenge system and Commission enforcement are independent and severable. Civil and criminal enforcement

are independent and severable. The People of California declare they would have adopted this Act regardless of whether any provision is found invalid, and intend maximum enforcement of all provisions not specifically invalidated.

(b) Construction. This Act shall be liberally construed to effectuate its purposes. It supplements existing authority of the Attorney General over charitable trusts, public benefit corporations, and consumer protection. Remedies are cumulative.

(c) Rulemaking. The Commission shall adopt regulations implementing this Act, including: capability thresholds triggering AI Company status; procedures for registration, licensing, challenges, and enforcement; technical standards for Commission access infrastructure; criteria for Expert Pool qualification; and all other matters necessary for implementation. Regulations shall provide public notice and opportunity for comment but are not subject to Office of Administrative Law review.

(d) Amendment. This Act may be amended by statute passed by two-thirds vote of each house of the Legislature to further its purposes. No amendment that narrows the definition of AI Company, weakens enforcement, reduces Commission authority, limits private enforcement rights, or weakens public benefit accountability shall take effect without voter approval.

(e) Effective Date and Implementation. This Act takes effect the day following voter approval. The Commission shall be operational within one hundred eighty days. Until the Commission is operational, the Attorney General shall receive registrations and may stay any Capability Expansion posing immediate risk to California residents.